December 30, 1945

1. OPTIMUM PLAN

a, Organization:

(1) All American Corporation

(2) Majority American with part Chinese, but administration and operations controlled by Americans

(3) Organized as subsidiary of parent corporation under laws of China.

(4) Organized as branch of parent organization with International character and operations as (1) above.

(5) In case of (2) above, relative proportion of stock to each nationality.

2. ALTERNATIVE PIAN

b. Organization:

- (1) Hajority stock Chinese with parent organization holding minority, with administration Chinese and operations American controlled.
- (2) Relative amounts of stock under (1) above.

(3) International contacts under (1) above.

(4) Method of selling stock to Chinese under either a or b.

3. OPERATIONS

- a. Scope of operations:
 - (1) National lines, China only including Manchuria, Formosa, Hainan Island.
 - (2) Foreign contacts:
 - (a) Japan
 - (b) Siberia (USSR)
 - -(c) Hong Kong (British)
 - -(d) Indo-China (French)
 - (e) Siam
 - -(f) Burma (British)
 - —(g) India Calcutta (British)
 - (h) Malaya Penang, Malacca (British)
 - (i) Straits Settlements Singapore (Brilish)
 - (j) Netherlands East Indies Socrabaya (Dutch)
 - (k) Philippine Islands Manila (P.I.)?

4. LOGISTICS:

a. Volume of business in each area:

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(1) Passenger

(2) Freight, Express

(3) Charter, special

F.N. #25

3. Logistics (con't)

- b. Labor:

 - availability
 Cost
 Key American personnel required each area.
- c. Airfields each area:
 - (1) Sultability
 - (2) Navigation aids
 - (3) Traffic Control
 - (4) Maintenance
 - (5) Communications for interior use
 - (6) Service and repair facilities

5. POLITICAL.

- a. National attitude
- b. Local attitude, each area
- c. Security from:
 - (1) Loss by violence
 - (2) Exhorbitant taxes, levies, charges.

C. L. CHENNAULT Major General, USA (ret). Dennin Chang, Capt. A.C.

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